

Additions are double-underlined. Deletions are ~~struck-through~~.

(b) Work on a holiday. An appointing authority may require an employee to work on a paid holiday. Such an employee is compensated in accordance with any applicable provisions governing compensation for overtime and shift differential.

5-10.2 Paid Leave

(a) Leave accrual and accumulation.

(1) Annual and personal leave.

(A) Upon entry into the classified service, an eligible employee is credited with an initial annual leave grant of 16 hours, which is immediately available for use, upon approval of the appointing authority. The 16 hours of annual leave cannot be credited to an employee more than once in a calendar year.

(B) After completion of 720 hours of paid service in the initial appointment, an eligible employee has annual leave credited in accordance with the following leave table:

1. Years of Service	2. Hours of Annual Leave Accrued (for 80 hours of service)	3. Maximum Accumulation (total hours of annual and personal leave)	4. <u>Maximum accumulation that may be paid off</u>
Less than 1	4.0	296	256
1 – 5	4.7	296	256
5 – 10	5.3	311	271
10 – 15	5.9	326	286
15 – 20	6.5	341	301
20 – 25	7.1	346	306
25 – 30	7.7	356	316
30 – 35	8.4	356	316
35 – 40	9.0	356	316
40 – 45	9.6	356	316
45 and above	10.2	356	316

(C) An employee paid for less than 80 hours in a biweekly pay period is entitled to a prorated amount of annual leave. Paid service in excess of 80 hours in a biweekly pay period is not counted.

(D) In addition to annual leave, an eligible employee with at least 6 months of continuous satisfactory service on October 1 of each year is credited with 16 hours of personal leave.

(E) An employee may accumulate credited annual and personal leave hours up to the combined maximum authorized in [column 3 of](#) the leave table in subsection (a)(1)(B). Any annual or personal leave hours earned above the maximum accrual cannot be credited and the hours are lost.

(F) If any employee receives a payoff of all accumulated annual and personal leave hours, the maximum amount that may be paid off is the amount authorized in column 4 of the leave table in subsection (a)(1)(B). Any annual or personal leave hours accumulated above the maximum amount authorized in column 4 are lost if not used before payoff.

(2) School and community participation leave. An eligible employee who has completed 1,040 hours of satisfactory service is credited with 8 hours of school and community participation leave each October 1. School and community participation leave credits not used by the last pay period of the fiscal year are lost.

(3) Sick leave. A career employee in the classified service is credited with 4 hours of sick leave with pay for each completed 80 hours of service. An employee paid for less than 80 hours in a biweekly pay period is entitled to a prorated amount of sick leave. Paid service in excess of 80 hours in a biweekly pay period is not counted.

(b) Leave use and limitations.

(1) Crediting and use of annual, personal, and school and community participation leave credits. An employee is credited with annual, personal, and school and community participation leave in accordance with the compensation plan. An employee may use annual, personal, and school and community participation leave when approved by the appointing authority in accordance with the compensation plan.

(2) Crediting and use of sick leave. An employee is credited with sick leave in accordance with the compensation plan. An employee may use sick leave in accordance with the compensation plan. An appointing authority may require an employee to present medical certification of physical or mental fitness to continue working. The appointing authority may require an employee to be examined at state expense by a physician selected by the appointing authority.

(3) Other limitations. Annual, personal, school and community participation, and sick leave cannot be authorized, accumulated, or credited in excess of limits established in the compensation plan.

(4) Special credit for annual leave and longevity. Solely for the purpose of annual leave and longevity credit, a career employee is allowed state service credit for the following:

(A) Service in a nonelective excepted or exempted position in a principal department, the legislature, or the supreme court, that immediately precedes entry or return to the classified service.

(B) Up to five years of honorable service in the armed forces of the United States completed before entry into the classified service. When an employee who has received additional annual leave and longevity separates from the classified service and subsequently returns, military service previously credited is recognized as prior service, subject to requalification for the benefits of this rule.

5-10.3 Banked Leave Time Program¹

(a) Eligibility.

Notwithstanding any other civil service rule or regulation, all employees in career appointments shall participate in the banked leave time program provided in this rule.

(b) Operation.

(1) **Work schedule and hours in pay status.** This rule does not alter an employee's work period, work schedule, or the requirement that each employee report all hours in pay status.

(2) Reduction in pay.

(A) October 12, 2003, to October 9, 2004. Notwithstanding the number of hours in pay status, between October 12, 2003, and October 9, 2004, each employee's gross biweekly pay is reduced by an amount equal to one of the following:

(A1) Reduction for full-time employees. For employees in full-time appointments, the gross pay reduction is equal to 4 hours of pay, computed at the employee's base rate of pay.

(B2) Reduction for less than full-time employees. For employees in less than full-time appointments, the gross pay reduction is equal to 5 percent of the hours in pay status, but not exceeding 4 hours, at the employee's base rate of pay.

(B) January 2, 2005, to October 22, 2005. Notwithstanding the number of hours in pay status, between January 2, 2005, and October 22, 2005, each employee's gross biweekly pay is reduced by an amount equal to one of the following:

(1) Reduction for full-time employees. For employees in full-time appointments, the gross pay reduction is equal to 4 hours of pay, computed at the employee's base rate of pay.

(2) Reduction for less than full-time employees. For employees in less than full-time appointments, the gross pay reduction is equal to 5 percent of the hours in pay status, but not exceeding 4 hours, at the employee's base rate of pay.

(3) **Conversion of unpaid time to banked leave time.** For each hour or partial hour in pay status that is unpaid as provided in subsection (b)(2), the employee is credited with an equal amount of banked leave time. An employee may accumulate a maximum of ~~104~~ 188 banked leave hours.

¹ **EDITOR'S NOTE:** The banked leave time program is also referred to as "Part B of the Annual and Sick Leave Program."

1 **(4) Use of banked leave time.** When approved by the appointing authority, an employee
2 may use accumulated banked leave time in the same manner as provided in
3 rule 5-10.2(b)(1) and the applicable regulations for the use of annual leave.

4 **(5) Conversion of unused banked leave time.** If an employee separates or retires from
5 the classified service or dies while employed in the classified service, the value of any
6 unused banked leave time shall be contributed as a non-elective employer contribution
7 to the employee's State of Michigan 401(K) plan account and, if applicable, to the State
8 of Michigan 457 plan account.

9 **(A) Value of contribution.** The amount of a contribution is the product of (1) the
10 number of unused banked leave hours and (2) the employee's last rate of pay for
11 annual leave at the time of separation, retirement, or death.

12 **(B) Location of contribution.** A contribution is first made to the employee's State of
13 Michigan 401(K) plan account. If a contribution, when combined with other
14 projected contributions, would exceed the maximum allowed under §415 of the
15 Internal Revenue Code, any excess is deposited in the employee's State of
16 Michigan 457 plan account.

17 **(6) Relation to other rules and regulations.**

18 **(A) Insurance, leave accruals, and service credits.** Notwithstanding any other civil
19 service rule or regulation or the fact that an employee's pay is reduced under
20 subsection (b)(2), all time in pay status for which an employee receives banked
21 leave time instead of pay is considered creditable time for all purposes, including,
22 but not limited to, the following:

23 **(1)** Satisfaction of the standard 80-hour biweekly work period for full-time
24 employees [rule 5-2.1].

25 **(2)** Compliance with compensation schedules [rule 5-3].

26 **(3)** Eligibility for overtime compensation [rule 5-4.2].

27 **(4)** Computation of service hours for the following:

28 **(a)** Longevity [rule 5-8].

29 **(b)** Annual and personal leave [rule 5-10.2(a)(1)].

30 **(c)** School participation leave [rule 5-10.2(a)(2)].

31 **(d)** Sick leave [rule 5-10.2(a)(3)].

32 **(e)** Holiday pay for less than full-time appointments [rule 5-10.1].

33 **(f)** Completion of a probationary period [rule 3-6.2].

34 **(5)** Eligibility for group insurance plans and benefit levels [rules 5-2.2 and 5-11].

(6) Computation of total continuous service hours for all purposes, including, but not limited to, employment preference, layoff, recall, step increases, and, if authorized by statute, retirement.

(B) **Not a break in service.** An employee does not incur a break in service as a result of participation in the banked leave time program.

(C) **Voluntary work schedule adjustment plans.** An employee must use all banked leave time before incurring unpaid Plan A or Plan C hours under the voluntary work schedule adjustment plans [rule 5-2.3].

(D) **Annual leave cap.** Banked leave time does not apply to the annual and personal leave maximum provided in rule 5-10.2(a)(1)(B).

(c) **Effective dates.** The banked leave time program is in effect from October 12, 2003, to ~~October 9, 2004~~ October 22, 2005, except that any banked leave time unused as of ~~October 9, 2004~~ October 22, 2005, does not expire. After ~~October 9, 2004~~ October 22, 2005, an employee may continue to use banked leave time as provided in subsection (b)(4). If, after ~~October 9, 2004~~ October 12, 2003, an employee separates or retires from the classified service or dies with unused banked leave hours, the hours shall be treated as provided in subsection (b)(5).

5-6 Additional Compensation: Miscellaneous

5-6.1 thru 5-6.10 *[No change]*

5-6.11 Signing Bonus

[Amendments Effective October 1, 2005]

(a) Eligibility.

(1) Authorization. If an appointing authority is experiencing serious recruitment and retention problems, the appointing authority may agree to pay an optional one-time signing bonus to an employee who is newly hired into one of the following classes:

(A) Pharmacist Manager.

(B) An excluded Dentist class.

(2) Current employees ineligible. An employee who is a classified employee immediately before appointment is not eligible for a signing bonus.

(3) Repayment agreement. An employee may only be paid a signing bonus if the employee agrees in writing to repay the entire signing bonus, including tax withholding amounts, if the employee leaves the department within one year after the effective date of the appointment.

(b) Rate.

(1) Pharmacist. An eligible Pharmacist Manager may be paid a signing bonus not to exceed \$2,500.

(2) Dentist. An eligible Dentist may be paid a signing bonus not to exceed \$5,000.

5-6.12 Retention Bonus

(a) Eligibility.

(1) Authorization. If an appointing authority is experiencing serious recruitment and retention problems, the appointing authority may agree to pay an optional one-time retention bonus to a current employee in an excluded Dentist position.

(2) Eligibility. An employee who has been employed in the classified service for at least 2,080 hours as of February 25, 2006, is eligible for a retention bonus.

(b) Rate. An eligible Dentist may be paid a retention bonus not to exceed \$5,000.

5-6.13 Lottery Sales Incentive Payments

(a) Eligibility.

(1) Authorization. The bureau of state lottery may implement a lottery sales incentive program for employees in the following classifications:

(A) Lottery Sales Representative 10, 11, and 12.

(B) Lottery Sales Regional Manager 13, 14, and 15.

(C) Promotional Specialist 14 and 15.

(2) Eligibility. An employee is eligible for an incentive payment if retailers in the employee's area of account responsibility achieve required quarterly sales increases, as established by the bureau of state lottery in the lottery sales incentive program.

(3) Award brackets. The bureau of state lottery shall establish objective eligibility criteria and bonus amounts for any incentive program before each quarter.

(b) Rate. An eligible employee may be paid an incentive bonus not to exceed \$625 per quarter.

(c) Change or discontinuance. The bureau of state lottery may alter or discontinue the lottery sales incentive plan before any quarter.
